



Required Supplementary Information

A. Federal Account Symbols and Titles

ENTITY FUNDS – Customs entity operations are funded principally through the following accounts.

General Funds

20X0602 Salaries and Expenses, U.S. Customs Service
20 0602 Salaries and Expenses, U.S. Customs Service
20X0604 Operation and Maintenance, Air and Marine Interdiction Program, U.S. Customs Service
20 0604 Operation and Maintenance, Air and Marine Interdiction Program, U.S. Customs Service
20 0607 Operations and Maintenance, Customs P-3 Drug Interdiction Program, U.S. Customs Service
20X0608 Customs Air Interdiction Facilities, Construction, Improvements and Related Expenses
20X0609 Air and Marine Interdiction Programs, Procurement, U.S. Customs Service

Special Funds

20X5694 Customs Services at Small Airports
20X5695 Customs User Fees Account, U.S. Customs Service

Trust Funds

20X8529 Salaries and Expenses Trust Fund, U.S. Customs Service, Treasury
20 8529 Salaries and Expenses Trust Fund, U.S. Customs Service, Treasury
20X8870 Harbor Maintenance Fee Collection

NON-ENTITY FUNDS – Customs records non-entity activity in the following accounts.

General Fund Receipt Accounts

12-1010 Fines, Penalties & Forfeitures, Agriculture Laws, Department of Agriculture
20-0152 Excise Taxes
20-0310 Duties on Imports
20-0311 Tonnage Duty Fees
20-1040 Fines, Penalties and Forfeitures, Customs, Commerce and Antitrust Laws
20-1060 Forfeitures of Unclaimed Money and Property
20-1210 Contributions to Conscience Fund
20-1435 General Fund Proprietary Interest, Not Otherwise Classified
20-3200 Collections of Receivables from Canceled Accounts
20-3220 General Fund Proprietary Receipts, Not Otherwise Classified, All Other
20F3845.06 Proceeds of Sale, Personal Property
27-2441 Overtime Service, Federal Communications Commission
61-3220 General Fund Proprietary Receipts, Not Otherwise Classified, All Other, Consumer Product Safety Commission
75-3220 General Fund Proprietary Receipts, Not Otherwise Classified, All Other, Dept. of Health & Human Services

Deposit Funds

12X6148 Assessments on Imports of Beef and Pork Products, Agriculture Marketing Services, Dept. of Agriculture
20X6157 Duties Collected for the Virgin Islands Government, U.S. Customs Service, Treasury Department

Revolving Funds

04X4505.01 Revolving Fund, Government Printing Office

Special Funds and Special Fund Receipt Accounts

12X5161 Agriculture Quarantine Inspection User Fees Account, Animal and Plant Health Inspection Service, Department of Agriculture
14X5137.2 Import Duties on Arms and Ammunition, Migratory Birds Conservation Account, U.S. Fish and Wildlife
20-5209 30% of Customs Duties, Funds for Strengthening Markets, Income and Supply
20X5687 Refunds, Transfers and Expenses of Operation, Puerto Rico, U.S. Customs Service
20-5695.30 Customs Merchandise Processing Fee, U.S. Customs Service

Trust Funds

20X8789 Refunds, Transfers and Expenses, Unclaimed, Abandoned, and Seized Goods, U.S. Customs Service
20X8863 Harbor Maintenance Trust Fund

General Funds

20X0603 Refunds and Drawback, U.S. Customs Service
20X0903 Refunding Internal Revenue Collections (Indefinite)



B. Statement of Budgetary Resources

Budgetary resources disaggregated by major accounts for the years ended September 30, 1999 and 1998, consists of the following (in thousands):

	1999			
	General Funds	Trust Funds	Special Funds	Totals
Budgetary Resources				
Budget authority	\$2,076,804	\$68,472	\$274,217	\$2,419,493
Unobligated balance	124,549	21,211	799,381	945,141
Spending authority from offsetting collections earned	143,148	5,772	41,464	190,384
Adjustments, anticipated for rest of year	174,937	952	5,923	181,812
Total Budgetary Resources	<u>\$2,519,438</u>	<u>\$96,407</u>	<u>\$1,120,985</u>	<u>\$3,736,830</u>
Status of Budgetary Resources				
Obligations incurred	\$2,240,911	\$23,799	\$ 367,434	\$2,632,144
Unobligated balances available	234,970	72,559	113,911	421,440
Unobligated balances not available	43,557	49	639,640	683,246
Total Budgetary Resources	<u>\$2,519,438</u>	<u>\$96,407</u>	<u>\$1,120,985</u>	<u>\$3,736,830</u>
Outlays				
Obligations	\$2,240,911	\$23,799	\$ 367,434	\$2,632,144
Spending authority from offsetting collections and adjustments	(341,326)	(6,724)	(47,387)	(395,437)
Obligated balance, net-beginning of period	398,669	28,980	52,906	480,555
Obligated balance, net-end of period	(493,621)	(25,378)	(57,592)	(576,591)
Total Outlays	<u>\$1,804,633</u>	<u>\$20,677</u>	<u>\$ 315,361</u>	<u>\$2,140,671</u>
	1998			
	General Funds	Trust Funds	Special Funds	Totals
Budgetary Resources				
Budget authority	\$1,647,716	\$63,648	\$335,867	\$2,047,231
Unobligated balance	203,588	4,492	749,140	957,220
Spending authority from offsetting collections earned	175,909	10,890	42,329	229,128
Adjustments, anticipated for rest of year	127,506	650	3,756	131,912
Total Budgetary Resources	<u>\$2,154,719</u>	<u>\$79,680</u>	<u>\$1,131,092</u>	<u>\$3,365,491</u>
Status of Budgetary Resources				
Obligations incurred	\$2,033,878	\$58,469	\$ 332,328	\$2,424,675
Unobligated balances available	92,977	21,176	159,124	273,277
Unobligated balances not available	27,864	35	639,640	667,539
Total Budgetary Resources	<u>\$2,154,719</u>	<u>\$79,680</u>	<u>\$1,131,092</u>	<u>\$3,365,491</u>
Outlays				
Obligations	\$2,033,878	\$58,469	\$332,328	\$2,424,675
Spending authority from offsetting collections and adjustments	(349,611)	(11,541)	(46,084)	(407,236)
Obligated balance, net-beginning of period	326,790	8,744	56,590	392,124
Obligated balance, net-end of period	(398,669)	(28,980)	(52,906)	(480,555)
Total Outlays	<u>\$1,612,388</u>	<u>\$26,692</u>	<u>\$289,928</u>	<u>\$1,929,008</u>



C. Petitioned and Protested Schedule

An analysis of the changes in petitioned and protested assessed amounts during FYs 1999 and 1998 is as follows (in thousands):

1999						
	Balance October 1	Additional Assessments	Protest in Favor of Debtor	Net Reduction Administrative Process	Additional Receivable	Balance September 30
Duties	\$103,300	\$ 253,427	\$ (76,683)	\$ (37,133)	\$ (189,128)	\$ 53,783
Taxes	290	774,910	(12,289)	(1,913)	(760,967)	31
Fees	240	14,619	(84)	(21)	(14,408)	346
Fines/Penalties	1,022,078	1,753,894	(376,578)	(126,289)	(266,872)	2,006,233
Interest	39,136	40,310	(15,839)	(4,918)	(37,236)	21,453
Totals	<u>\$1,165,044</u>	<u>\$2,837,160</u>	<u>\$(481,473)</u>	<u>\$(170,274)</u>	<u>\$(1,268,611)</u>	<u>\$2,081,846</u>
1998						
	Balance October 1	Additional Assessments	Protest in Favor of Debtor	Net Reduction Administrative Process	Additional Receivable	Balance September 30
Duties	\$ 96,122	\$ 201,285	\$ (27,710)	\$ (6,861)	\$ (159,536)	\$ 103,300
Taxes	401	702,821	--	--	(702,932)	290
Fees	45,136	11,438	(44,326)	--	(12,008)	240
Fines/Penalties	1,352,722	702,090	(198,700)	(185,733)	(648,301)	1,022,078
Interest	39,602	37,658	(8)	--	(38,116)	39,136
Totals	<u>\$1,533,983</u>	<u>\$1,655,292</u>	<u>\$(270,744)</u>	<u>\$(192,594)</u>	<u>\$(1,560,893)</u>	<u>\$1,165,044</u>

Customs reviews selected entry documentation to determine whether importer payment estimates of duties, taxes, and fees were accurate or whether additional supplemental amounts are owed and should be billed. Customs regulations allow the importer 90 days from the bill date in which to file a protest to be reviewed by the Port Director and an application requesting further review of the protest by Customs Office of Regulations and Rulings challenging the assessment of supplemental duties, taxes, and fees. If the protest and application for further review are denied by the Port Director, the protestor has an additional 60 days from the denial date for a review of the application by the Commissioner of Customs. Consequently, Customs recognizes accounts receivables only when the protested period has elapsed or when a protest decision has been rendered in Customs favor.

Additionally, importers and their sureties also have the option to petition for relief after receipt of Customs notice that a fine or penalty has been assessed when a violation of law or regulation is discovered. The importer or surety has 60 days to file a petition for relief or make payment of the assessed amount. If a petition is received and Customs finds there are extenuating circumstances, such as an incorrect assessment, which warrants mitigation, relief is granted as prescribed by Customs mitigation guidelines and directives. Consequently, Customs recognizes accounts receivables only when the petition period has elapsed or when a petition decision has been rendered.

D. Deferred Maintenance

Deferred maintenance is maintenance that was not performed when it should have been or was scheduled to be performed, and is delayed until a future period. Maintenance includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it continues



to provide acceptable service and achieves its useful life. Deferred maintenance on property, plant and equipment as measured by condition assessment survey, is comprised of (in thousands):

	Condition Assessment	Deferred Maintenance
<u>1999</u>		
Building and Structures	Fair	\$ 759
Aircraft	Poor	600
Vehicles	Fair	6
Vessels	Poor	<u>1,500</u>
Total		<u>\$2,865</u>
<u>1998</u>		
Building and Structure	Fair	\$ 970
Vehicles	Fair	<u>77</u>
Total		<u>\$1,047</u>

E. Intra-governmental Assets, Liabilities, Revenue and Costs

Balances representing intra-governmental asset, liability, revenue and expense activity, consist of the following (in thousands):

Intra-governmental Amounts – Assets

Partner Agency

	Fund Balance with Treasury	Accounts Receivable/ Advances
Department of the Treasury	\$2,724,698	\$ --
Treasury Forfeiture Fund	--	8,813
Financial Crimes Enforcement Network	--	84
U.S. Secret Service	--	136
Alcohol, Tobacco & Firearms	--	289
Bureau of Public Debt/S&E	--	1
Departmental Offices	--	<u>15,960</u>
Total Department of the Treasury	<u>2,724,698</u>	<u>25,283</u>
Department of Defense	--	2,145
Department of Health & Human Services	--	32
Agency for International Development	--	12
Department of Transportation	--	483
United States Information Agency	--	10
Federal Deposit Insurance Corp	--	6
General Services Administration	--	836
Department of State	--	1,135
Department of Justice	--	5,800
Department of Interior	--	1,391
Department of Agriculture	--	135
Government Accounting Office	--	<u>176</u>
Total	<u>\$2,724,698</u>	<u>\$37,444</u>

Additionally, Customs has advanced \$10.03 million to other Federal sources which is expected to be returned without expenditure.

**Intra-governmental Amounts – Liabilities**

<u>Partner Agency</u>	<u>Accounts Payable</u>	<u>Other</u>
Internal Revenue Service/Revenue	\$ 483	\$ --
Bureau of Public Debt/Franchise Funds	5	--
Financial Management Service/Miscellaneous	--	1,727,782
Alcohol, Tobacco & Firearms	2	--
Internal Revenue Service	393	--
Federal Law Enforcement Training Center	276	--
Departmental Offices	<u>6</u>	<u>--</u>
Total Department of the Treasury	1,165	1,727,782
Department of Defense	1,712	13,898
Department of Energy	26	--
National Aeronautics & Space Administration	11	--
Department of Health and Human Services	367	--
Department of Transportation	--	1
General Services Administration	16,243	75
Social Security Administration	3,525	1
Office of Personnel Management	11,758	--
Department of State	555	2,495
Department of Labor	109	41,452
Department of Justice	78	--
Department of Interior	9	--
Department of Commerce	19	--
Department of Agriculture	86	--
Government Printing Office	<u>236</u>	<u>--</u>
Total	<u>\$35,899</u>	<u>\$1,785,704</u>

Intra-governmental Amounts – Revenue and Costs

<u>Budget Functions</u>	<u>Exchange Intra-governmental Revenue</u>	<u>Cost to Generate Exchange Intra-governmental Revenue</u>
Administration of Justice	\$148,380	\$155,169

Non-Exchange Revenue

<u>Partner Agency</u>	<u>In</u>	<u>Out</u>
Department of Defense	\$15,455	\$ --
Department of Justice	16	--
Department of Transportation	11	32
Department of State	--	91
General Services Administration	28	6
Executive Office of the President	30	--
Department of Agriculture	<u>7</u>	<u>--</u>
Total	<u>\$15,547</u>	<u>\$129</u>